

Agenda Date: June 29, 2005

Item Number: A4

**Docket:** UT-050919

**Company:** Comcast Phone of Washington, LLC

**Staff:** Kristen Russell, Regulatory Analyst

Robert Shirley, Telecommunications Policy Analyst

**Recommendation:**

Take no action on the price list filing made by Comcast Phone of Washington, LLC, which grandfathers discounts for low-income subscribers prior to June 28, 2005.

**Background:**

On June 16, 2005, Comcast Phone of Washington, LLC (Comcast or the Company) filed a price list revision with the Commission. The revision grandfathers the Company's offering of the Washington Telephone Assistance Program's (WTAP) discounted rate for subscribers of the program as of June 28, 2005. As of May 2005, Comcast had 1,589 customers receiving the WTAP discount.

Comcast began offering the discounted rate after its registration was effective July 31, 2001, Docket UT-010681 (under the name AT&T Broadband Phone of Washington, LLC). On January 8, 2002, the Commission adopted WAC 480-122-020 and required all eligible telecommunications carriers (ETCs) and all carriers with at least one-hundred residential subscribers to offer WTAP discounts. Comcast's existing price list complied with the rule. Subsequently, the Commission amended the rule to require that only ETCs must provide WTAP discounts.<sup>1</sup> Comcast is not an ETC, and is therefore no longer required to offer discounted rates.

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<sup>1</sup> In the rulemaking that resulted in the ETC-only requirement, the Commission's order adopting the rule stated, "All incumbent local exchange companies are designated as ETCs in all areas where they offer service. The objective of having a choice of providers for WTAP customers should be advanced through the design and management of WTAP."

**Discussion:**

The company is proposing to grandfather the WTAP discounted rate because it is not a profitable service to offer. Comcast has informed staff that it is losing in excess of \$8,000 per month by providing WTAP discounts for which it receives state, but not federal, reimbursement. The Company also indicated to staff that there is an administrative burden associated with offering the program.

Customers who may be affected by the grandfathering of the service are:

- Current enrollees who make a major change to their account, i.e. add a line, change features, etc;
- Current enrollees who are disconnected for nonpayment;
- Current enrollees who are found to be ineligible on or after June 28, 2005, cannot resubscribe at a later date; and
- Current enrollees who move to a new residence.

However, WTAP customers who choose to add toll restriction service will not be affected.

Comcast is a competitively classified company and offers its service under a price list. Comcast has complied with the notice requirements of WAC 480-120-196. This rule requires price listed companies to provide notice to each affected customer at least ten days before the effective date of any proposed changes in terms and conditions of service. Notice of this filing was made by billing statement to the affected customers starting on May 19, 2005, and concluding on June 18, 2005. Also, in the event a WTAP customer calls to make a change to their service, a Company representative will notify the customer of the elimination of the discounted rate. Finally, Commission Staff understands that DSHS, the administrator of WTAP, will continue to reimburse Comcast for those eligible participants that remain grandfathered in the program.

**Conclusion:**

The Commission should take no action on the price list filing made by Comcast Phone of Washington, LLC.